State of South Dakota

SEVENTY-SIXTH SESSION LEGISLATIVE ASSEMBLY, 2001

400E0298

SENATE BILL NO. 40

Introduced by: The Committee on Commerce at the request of the Department of Commerce and Regulation

1	FOR AN A	CTEN	WTITLED, An Act to exempt from registration certain Canadian broker-dealers	
2	and the	e secur	ities offered by them.	
3	BE IT EN	ACTE	D BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:	
4	Section 1. That § 47-31A-401(c) be amended by adding thereto a NEW SUBSECTION to			
5	read as follows:			
6	(5)	A pers	on who is a resident of Canada, has no office or other physical presence in this	
7		state, a	and complies with the following conditions:	
8		(a)	Is a member of a self-regulatory organization or stock exchange in Canada;	
9		(b)	Maintains a provincial or territorial registration and a membership in a self-	
0			regulatory organization or stock exchange in good standing;	
1		(c)	Is not in violation of § 47-31A-101; and	
12		(d)	Only effects or attempts to effect transactions in securities:	
13			(i) With or for a person from Canada who is temporarily present in this	
4			state, with whom the Canadian person had a bona fide business-client	
15			relationship before the person entered this state; or	

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1	(ii) With or for a person from Canada who is present in this state, whose			
2	transactions are in a self-directed tax-advantaged retirement plan in			
3	Canada of which the person is the holder or contributor.			
4	Section 2. That § 47-31A-402(b) be amended by adding thereto a NEW SUBSECTION to			
5	read as follows:			
6	(16) An offer or sale of a security effected by a person excluded from the definition of			
7	broker-dealer under § 47-31A-401(c)(5).			
8	Section 3. That § 47-31A-201(g) be repealed.			
9	(g) A broker-dealer that is resident in Canada and has no office or other physical presence			
10	in this state may, provided the broker-dealer is registered in accordance with this chapter, and			
11	any rules or orders as prescribed by the director, effect transactions in securities with or for, or			
12	induce or attempt to induce the purchase or sale of any security by: (1) A person from Canada			
13	who is temporarily resident in this state, with whom the Canadian broker-dealer had a bona fide			
14	broker-dealer client relationship before the person entered the United States; or (2) A person			
15	from Canada who is a resident in this state, whose transactions are in self-directed tax			
16	advantaged retirement plan in Canada of which the person is the holder or contributor.			
17	Section 4. That § 47-31A-201(h) be repealed.			
18	(h) An agent who will be representing a Canadian broker-dealer registered under this section			
19	may, provided the agent is registered in accordance with this chapter, effect transactions in			
20	securities in this state as permitted for the broker-dealer in subdivision 47-31A-201(g) and are			
21	rules or orders as prescribed by the director.			